

DEPARTMENT OF REVENUE AND REGULATION
DIVISION OF INSURANCE
445 EAST CAPITOL AVENUE
PIERRE, SD 57501-3185

PHONE: (605) 773-3563
FAX: (605) 773-5369

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For more information: Contact Merle Scheiber, Director, Division of Insurance, 605-773-3563

**South Dakotans Advised of Insurance Premium Assistance
Under the American Recovery and Reinvestment Act**

PIERRE, S.D. – South Dakotans who were involuntarily terminated from employment between Sept. 1, 2008, and Dec. 31, 2009, are eligible to receive a COBRA insurance premium reduction under the American Recovery and Reinvestment Act (ARRA).

Under ARRA, eligible employees are required to pay only 35% of the insurance premiums while their employers or insurance companies cover the remaining 65% of the costs.

COBRA is continuation of group health insurance for those who have lost their jobs. Not all former employees, however, qualify for the coverage.

Gov. Mike Rounds says people who did not originally choose COBRA coverage during the period of Sept. 1, 2008, through Feb. 16, 2009, still have the opportunity to benefit from the ARRA provision.

“The ARRA allows for a second election opportunity for those individuals who did not elect COBRA when it was first offered or people who elected COBRA but are no longer enrolled because they may not have been able to afford the premiums,” Gov. Rounds said. “Insurance companies are required to provide notices to individuals by April 18, 2009. People will have 60 days after the notice is provided to elect COBRA coverage.”

The state Department of Revenue & Regulation, Division of Insurance, adopted emergency rules April 2, 2009, to allow individuals who were covered by small employers to take advantage of the premium reduction on the same basis as those who were covered by large employers. According to Gov. Rounds, extending the opportunity to as many South Dakotans as possible will allow them to obtain proper medical care that they may not otherwise get without affordable health coverage.

People who think they may be eligible for assistance under the ARRA are encouraged to contact their former employers for more information. Assistance is also available by contacting the Division of Insurance at 605-773-3563; by letter to the South Dakota Division of Insurance, 445 East Capitol Avenue, Pierre, S.D., 57501; or by visiting the Division’s Web site at www.state.sd.us/drr2/reg/insurance.